

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

In the Matter of)

Geographic Partitioning and)
Spectrum Disaggregation by)
Commercial Mobile Radio Service)
Licensees)

WT Docket No. 96-148

and)

Implementation of Section 257)
of the Communications Act --)
Elimination of Market Entry)
Barriers)

GN Docket No. 96-113

To: The Commission

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REPLY COMMENTS
OF THE
INDUSTRIAL TELECOMMUNICATIONS ASSOCIATION, INC.

The Industrial Telecommunications Association, Inc. ("ITA") hereby submits these Reply Comments to address various points raised in the comments filed August 15, 1996 in this proceeding.

I. Opportunities for Small Business Entities

1. ITA believes this proceeding offers a genuine opportunity for the Commission to craft its rules in a way that will maximize the potential benefits of the PCS allocation. Several commenters have raised concerns that the limitations proposed for disaggregation and partitioning would have the effect of stifling PCS participation by small business entities. To resolve these concerns, ITA recommends allowing disaggregation in increments of 100 kHz paired channels, partitioning on the basis of units that

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are smaller than county size, and establishing a clearinghouse function.

II. Disaggregation of Spectrum

2. Consistent with the theme of maximizing the benefits of the PCS allocation, ITA favors allowing disaggregation in spectrum blocks that will facilitate use of the PCS spectrum to accommodate unique or "niche" requirements, whether those needs be expansive or narrow in scope. As ITA stated in its comments, it would not be efficient to require sub-licensees to purchase more spectrum than needed. Several commenters have endorsed this approach and have provided useful supporting information in their comments.

3. SR Telecom Inc. expresses concern that specific limits on the amount of spectrum that may be disaggregated would be "technology-limiting."¹ Motorola supports this view, stating that disaggregated licensees must be authorized to operate on at least 100 kHz of paired spectrum (*i.e.*, 100 kHz + 100 kHz). The disaggregation rules, Motorola asserts, must be both "technology- and application-neutral."² In Motorola's view, disaggregation of spectrum in minimum increments of 100 kHz pairs would best achieve optimal spectrum usage.

4. The position adopted by the Cellular Telecommunications

¹ SR Telecom Comments, p. 11.

² Motorola Comments, p. 2.

Industry Association parallels Motorola's approach. According to CTIA, "[t]he size of the partitioned area and the amount of spectrum disaggregated are most efficiently optimized by the licensee's business strategies and market forces."³ CTIA believes that the imposition of a 1 MHz retention requirement would thwart new entrants by requiring them to obtain more spectrum than needed.

5. Omnipoint Corporation has commented that, "[w]hile the Commission might find it easiest to keep track of disaggregated PCS spectrum in paired 1 MHz increments, this policy would put some technologies at a disadvantage relative to others and leave inefficiencies that might well otherwise be corrected by market forces." ITA agrees with the policy approaches advocated by SR Telecom, Motorola, CTIA and Omnipoint. Further, as noted by Motorola, increments of 100 kHz paired channels would allow greater opportunity for small business entities to participate as licensed PCS entrepreneurs. ITA believes this assessment is accurate. ITA therefore endorses Motorola's specific proposal to permit disaggregation in increments down to 100 kHz paired channels.

III. Geographic Partitioning

6. For essentially the same reasons, ITA favors partitioning over geographic areas that are smaller than county size. SR Telecom, CTIA, Omnipoint and others have endorsed this approach as

³ CTIA Comments, p. 6

well. Omnipoint, for instance, advocates that the Commission allow geographic partitioning to be negotiated among the parties without artificial restrictions.⁴ In this way, Omnipoint asserts, there will be maximum efficient use of the spectrum. ITA agrees.

IV. Clearinghouse Function

7. ITA recognizes, as do CTIA, Omnipoint and others, that a flexible approach to disaggregation and partitioning would be administratively more challenging. ITA believes, however, that there is a ready mechanism already in existence to administer the complexities of disaggregation and partitioning. On August 14, 1996, the Commission designated two entities, ITA and the Personal Communications Industry Association, to serve as microwave relocation clearinghouses.

8. Allowing maximum flexibility in disaggregation and partitioning would require the administration of a detailed record-keeping and associated clearinghouse function. However, the disaggregation and partitioning clearinghouse function would be no more complex than that required in support of microwave relocation. ITA suggests that, in the instant proceeding, the Commission should create a clearinghouse function that is similar to the microwave clearinghouse activity. Further, ITA would be interested in performing the disaggregation and partitioning clearinghouse

⁴ Omnipoint Comments, p. 10.

function, if the Commission proceeds along these lines.

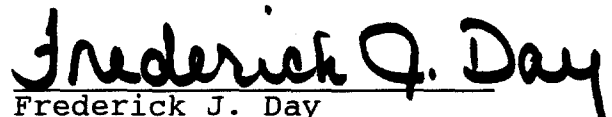
V. Conclusion

9. ITA favors allowing maximum flexibility in disaggregation and partitioning of the PCS spectrum. ITA believes that maximum flexibility will facilitate use of the PCS spectrum and permit sub-licensees to accommodate unique or "niche" requirements, whether those needs be expansive or narrow in scope. With respect to disaggregation, ITA endorses the approach suggested by Motorola whereby the spectrum would be disaggregated in blocks as small as 100 kHz paired. Finally, should the Commission conclude that there is a need for a clearinghouse function to facilitate flexible disaggregation and partitioning, ITA is both qualified to perform this function and interested in doing so.

WHEREFORE, THE PREMISES CONSIDERED, the Industrial Telecommunications Association, Inc. respectfully submits these Reply Comments and urges the Federal Communications Commission to act in accordance with the views expressed herein.

**INDUSTRIAL TELECOMMUNICATIONS
ASSOCIATION, INC.**

By:


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